THE **NONPROFIT**
ASSOCIATION OF
OREGON

Connect. Improve. Advance.

Nonprofit Health Check
Quick Assessment Tools and Resources

May 2019

Board Governance

Business of Your Nonprofit

People and Systems

Engaging Community

The following assessment tools were developed by the Nonprofit Association of Oregon for 501(c)3 charitable nonprofit corporations operating in the state of Oregon. They are intended to provide nonprofit leaders with the ability to conduct a quick self-assessment of the organization's overall health, to prompt deeper inquiry in areas that need attention, and to connect leaders with helpful tools and resources. These assessment tools are not exhaustive and are not intended to be a substitute for legal or financial advice. If you wish to be certain about the proper course of action for your organization, you may need to contact a licensed attorney or certified public accountant.

If you need additional guidance, NAO can connect you with information, resources, professional development opportunities, and referrals to qualified nonprofit services providers. NAO will continue to add to and revise these resources. This version was published in May 2019.

Contact us at 503-239-4001 ext. 127
connect@nonprofitoregon.org
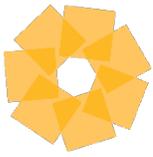
NONPROFIT HEALTH CHECK | YOUR BOARD GOVERNANCE

Charitable nonprofits are created and maintained for the benefit of the public. They are expected to work in ways that are fair, equitable and just. An effective nonprofit not only meets the requirements of the law, it also follows ethical, effective and best practices. As board members, staff or volunteers working with a nonprofit, we are stewards of the organization's mission and resources and should hold ourselves to the highest standards. The board fulfills its duties of loyalty, obedience and due care through a variety of practices. Board and staff should be representative of the community they serve and responsive to community needs. Checks and balances must be in place to protect both the public good and the board as individual volunteers.

The purpose:

- This tool is for self-reflection. It is designed to give you an initial assessment of your overall organizational health in this particular area.
- This tool focuses on key indicators, but it is not all encompassing. The resources are listed for you to conduct deeper work on those topics.

	Strategy — Governance — Risk Management	Yes	No
1	Leadership (board/staff) is guided by a clear and compelling mission and vision.		
2	Board contributes to the organization's overall health (strategy, risk, finances).		
3	Board members understand their legal rights and responsibilities and ensure the organization is in compliance.		
4	Board uses the nonprofit's bylaws as an operating manual updating as necessary.		
5	Board (and committees) meet with enough regularity to conduct business.		
6	Board members follow a conflict of interest policy and file an annual statement.		
7	Board roles, responsibilities, and expectations are clear and documented.		
8	Board hires, oversees, and evaluates the Executive Director/CEO.		
9	Board evaluates its performance (ideally annually or at least every 2 years).		
10	The organization is up-to-date with all tax and corporate filings.		
11	Corporate insurance is in place and aligned to organizations activities and assets.		
12	Corporate documents, employee records, and assets are safeguarded.		
13	Organization has a whistleblower policy; board members are trained annually.		
14	Organization has necessary board, employee, and financial policies.		
15	Board members are not compensated (except for expenses per an established organizational policy).		

APPLY TO YOUR WORK

How does your board apply your bylaws?

Where can conflicts of interest (actual and perceived) come up in our work?

How is the community you serve represented in your board and staff? Why is this important?
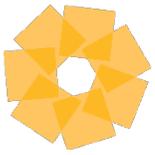
Why is a Directors' and Officers' Insurance policy important to have in place?

How do you determine what laws and regulations apply to your organization?

Resources and Tools

- Your Rights, Roles, and Responsibilities — *Office of the Attorney General, State of Oregon*
- Principles for Good Governance and Ethical Practice — *Independent Sector*
- Compliance Guide for 501(c)3 Public Charities — *U.S. Internal Revenue Service*
- Basics of Board Governance — *Nonprofit Association of Oregon*
- Sample Conflict of Interest Policy — *Independent Sector*
- Whistleblower Tip Sheet — *Nonprofit Association of Oregon*
- Document Retention for US Nonprofits: A Simple Guide — *Mission Box*
- NAO Directors' and Officers' Insurance Program — *Bliss Sequoia*
- Chair of the Board of Directors Job Description — *The Bridgespan Group*
- Duties of the Secretary of a Nonprofit Corporation — *NEO Law Group*
- Sample of Nonprofit Bylaws — *Board Effect*
- Executive Director Evaluation Survey Form — *Blue Avocado*
- 50 Mission Statements — *Top Nonprofit*
- A Step-by-Step Exercise for Creating a Mission Statement — *Nonprofit Hub*
- COI: Candor or Inhibition? Managing Conflicts Of Interest — *Nonprofit Risk Management Center*
- Board Governance Models: A Comprehensive List — *Board Effect*
- 7 Steps to Planning a Successful Not-For-Profit Audit — *Journal of Accountancy*

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	Resource Development —— Financial Health & Oversight —— Strategy	Yes	No
1	Board members and staff have a clear understanding of the organization's business model.		
2	Business model includes a diversity of revenue sources (contributed and earned).		
3	At least one-third of annual budget expenses are spent on programs that pursue mission.		
4	Board reviews and approves an annual budget and monitors performance.		
5	Board reviews financial statements at regular board meetings.		
6	Organization prepares monthly bank reconciliations.		
7	Accounting system has capacity to track restricted and unrestricted funds.		
8	Financial policies are in place outlining accounting standards (internal controls, separation of duties, delegations of authority).		
9	Payroll prepared by a qualified staff or vendor; reviewed by someone outside of finance.		
10	Independent audit is conducted annually by a certified public accountant.		
11	Organization keeps complete, current and accurate financial records.		
12	Organization consistently honors donor intent and contract obligations.		
13	Organization has donor privacy policies and practices.		
14	Board is engaged in revenue development and "friend-raising."		
15	Donor acknowledgement occurs in accordance with IRS requirements.		

APPLY TO YOUR WORK

What is your organization's business model? Where do you want to see it grow, change?

How does your board engage in resource development and friend-raising?

How do you know if your financial policies and procedures are adequate and effective?

What are some ways you can ensure your organization honors donor intent and contract obligations?

Resources and Tools

Do you know where your bank statements are? ⸺ Oregon Department of Justice
Nonprofit Financial Management Self-Assessment Tool ⸺ Nonprofit Association of Oregon
5 Myths in Nonprofit Finance - Public Interest Management Group ⸺ PIMG
Resources for Nonprofit Financial Management ⸺ Wallace Foundation
Understanding Cost Allocation ⸺ Nonprofit Assistance Fund
Board Treasurer's Job Description ⸺ Governing Good.
Duties of the Treasurer of a Nonprofit Corporation ⸺ NEO Law Group.
Gift Acceptance Policy (Templates) ⸺ Grant Space
AFP Code of Ethics ⸺ Association of Fundraising Professionals.
Transforming Nonprofit Business Models ⸺ Propel Nonprofits.
Nonprofit Business Model Statements ⸺ Blue Avocado.
Nonprofit Accounting (Explanation) ⸺ Accounting Coach.
The Nonprofit Accounting Cheatsheet ⸺ NP Engage.
Anatomy of the Nonprofit Business Model: A Key Driver of Organizational Performance ⸺ PIMG.
Frequently Asked Questions about Overhead ⸺ The OverHead Myth.com
2018 Oregon Year-End Charitable Giving Report ⸺ AFP and NAO.

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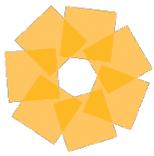
NONPROFIT HEALTH CHECK | YOUR PEOPLE AND SYSTEMS

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	Human Resources —Operations —Strategy — Implementation	Yes	No
1	Employee and volunteer policies meet all federal, state, and local requirements.		
2	Policies are documented, applied in a consistent manner, and updated as necessary.		
3	Organization has a code of ethics that board members, staff and volunteers understand and uphold.		
4	Leaders have the management skills necessary to guide and develop staff capacities.		
5	Organization has effective and inclusive recruitment practices.		
6	Job descriptions are in place for all staff and volunteer positions.		
8	Organization chart depicts staff and volunteer roles within the organizational structure.		
9	Employees and independent contractors are properly classified.		
10	Employees and volunteers receive regular performance feedback.		
11	Turnover of staff and volunteers is understood, monitored, and explainable.		
12	Compensation and benefits for staff are aligned with industry standards for an organization of your size, and reviewed and updated as necessary.		
14	The safety of people and assets are central in discussions around risk management.		
15	Operational systems support effective and efficient delivery of mission critical work.		
16	Beyond having policies that prohibit harassment and discrimination, the organization is taking steps to build a healthy culture of respect, dignity, and inclusion.		
17	Organizational data and assets are safeguarded and backed up.		
18	Contingency plans are in place for key positions and organizational functions.		

APPLY TO YOUR WORK

What strategies do you use to build a team culture that delivers effectively on your mission critical work?

How do you evaluate the effectiveness of your human resources practices?

Do you have a clear process for reporting and investigating harassment, discrimination, misconduct, and safety issues?

How would you keep critical organizational functions covered in the event of unexpected turnover, crisis or disaster?

What strategies do you use to ensure your team has the knowledge, skills, and tools they need to deliver on your mission?

Resources and Tools
Provided in partnership with Mammoth HR – Member Discount Program
- Most Common Handbook Issues
- Identifying and Preventing Workplace Harassment
- Workplace Complaint Investigation Guide
- Workplace Coaching Guide and Example Questions
- Job Description Toolkit
- Interview Questions Guide – Role and Industry Specific Questions
- Federal Labor Laws by Employee Count
- Federal FLSA Guide – Is my employee exempt from overtime?

Additional Resources
Request a comprehensive insurance audit from NAO Member Benefit Partner - Bliss Sequoia

Technical Assistance - Oregon Bureau of Labor and Industries

Curated Resources and Tools Related to Volunteer Management – National Council of Nonprofits

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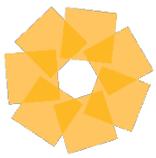
NONPROFIT HEALTH CHECK | ENGAGING COMMUNITY

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	Governance — Strategy — Programming — Communications — Leadership	Yes	No
1	All board members, staff, and volunteers are aligned in communicating the organization's mission and impact.		
2	The organization actively engages community members and external stakeholders using a communications and engagement plan.		
3	The organization actively engages and nurtures partnerships and networks to achieve mission impact.		
4	Needs-based programming is in response to community and market demand.		
5	Community is at the center of the organization's work.		
6	Organization-wide understanding of who is served by the programs and why.		
7	Programs use data and feedback loops to inform design and program development.		
8	Strategies in place to build community awareness of the organization's mission and the goals of programs and processes.		
9	The organization is involved in advocacy/systemic change activities and engages partners and community members in those efforts.		
10	Diverse perspectives are considered when making decisions.		
11	Decision-making and reward structures are mission-rooted and there is clarity on how decisions are made.		
12	At least two-thirds of board members are independently appointed.		
13	The organization commits to do no harm in its programing, processes and operations.		
14	The organization actively anticipates and plans for reducing the barriers to participation in processes and programs.		
15	The organization educates and provides analysis of issues pertaining to their mission.		

APPLY TO YOUR WORK

How does your board foster a culture of inquiry and active participation?

What strategies do you use to seek input from broad stakeholders and do you consciously consider how to include those at risk of exclusion *(i.e. individuals, groups who face systemic barriers)?*

How do you involve clients and program participants in program development and refinement?

Do you conduct periodic needs assessments that include community members, program participants, partners, staff and board members?

Do you seek to coordinate and collaborate within the right networks, associations, and coalitions in order to leverage impact?

Do board and staff engage with policymakers on issues related to the mission?

Resources and Tools

Community Building Approach — *Ford Institute for Community Building*
Community Involvement — *SMARTE.org*
Community Planning Toolkit – Community Engagement — *Community Places*
Community Building Principles and Action Steps, *ABCD Toolkit.*
Diversity Toolkit: A Guide to Discussing Identity, Power and Privilege — *USC School of Social Work*
Stand for Your Mission — *Board Source*
Nonprofits Integrating Community Engagement (NICE) Guide — *Building Movements Project and the Alliance for Nonprofit Management*
NAO Equity Statement — *Nonprofit Association of Oregon*
National Standards for Community Engagement — *Scottish Community Development Centre on behalf of Communities Scotland*
Race to Lead: Confronting the Nonprofit Racial Leadership Gap — *Race to Lead.org*
6 Principles of Trauma Informed Approaches —*Center for Disease Control's Office of Public Health Preparedness and Response (OPHPR), in collaboration with SAMHSA's National Center for Trauma-Informed Care (NCTIC)*

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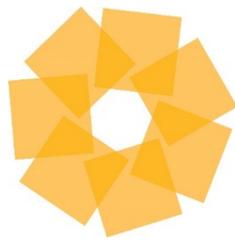
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The Nonprofit Health Check — Quick Assessment Tools and Resources packet was developed and produced by the Nonprofit Association of Oregon.

The Nonprofit Association of Oregon is the statewide nonprofit membership organization representing and supporting charitable nonprofits of all sizes, geographic locations and missions across Oregon. The mission of NAO is to serve public benefit nonprofits by strengthening the collective voice, leadership, and capacity of nonprofits to enrich the lives of all Oregonians.

Not an NAO member? Join today! Be a part of a great network and advance your organization and the sector. Member dues are offered on a sliding scale at affordable rates. Contact membership@nonprofitoregon.org.